

**Areawide Market Analysis Statement of Work and Specifications**  
**Natural Resources Conservation Service**  
**Agricultural Conservation Easement Program**  
**Wetland Reserve Easement (ACEP-WRE)**

**A. Background Information**

1. The United States of America, acting through the U.S. Department of Agriculture's Natural Resource and Conservation Service (NRCS), is considering purchasing conservation easements to assist the landowners in restoring, protecting and enhancing wetlands. These lands may be placed under a conservation easement through the Agricultural Conservation Easement Program (ACEP) Wetland Reserve Easement Component (ACEP-WRE).
2. All areawide market analyses (AWMAs) completed for ACEP-WRE must comply with instructions provided by NRCS.
3. Market areas are determined by the NRCS State office and identified in exhibit 1.
4. Land use types are determined by the NRCS State office and identified in exhibit 2.
5. The NRCS national appraiser resolves questions that arise from these specifications. Contact information may be obtained through the NRCS State office.

**B. Qualifications of Vendor**

1. The vendor must be a State-certified general real property appraiser or obtain a temporary practice permit equal to State-certified general real property appraiser in compliance with title XI of the Financial Institution's Reform, Recovery and Enforcement Act of 1989 (FIRREA) in the State or States where the AWMA is conducted.
2. The vendor must be in good standing with the licensing authority where the credential was issued, and not the recipient of disciplinary action within the past 5 years from the licensing authority.
3. The vendor must have demonstrated competency in compliance with USPAP in conducting AWMAs of rural and agricultural properties of the requested type.

**C. Purpose of the Areawide Market Analysis**

1. The purpose of the AWMA is to provide the fair market value of the land for the land use types typically enrolled in ACEP-WRE in the market areas identified by NRCS.

**D. Information Provided by NRCS to the Vendor**

1. State map showing the market areas to be analyzed
  - a. Regions or counties with similar land uses
  - b. Boundaries of each market area
2. Land uses in each market area requiring opinion of typical market value
  - a. Identify the land uses typically enrolled in ACEP-WRE.
  - b. Define what is included in each land use category be as descriptive as possible to adequately define the land uses to be analyzed.

**E. Quality of Work**

1. The market analysis must be clear, accurate, and complete and must meet NRCS's intent to determine the fair market value of land typically enrolled in ACEP-WRE. The market analysis must be conducted and reported in compliance with USPAP.
2. The appraiser must select comparable properties that represent the land use types that are typically enrolled in ACEP-WRE.
3. The appraiser must adjust value for property differences, and conduct a current analysis of the competitive market.

#### **F. Selection of Comparable Properties**

1. Choose comparable sales from the entire area being analyzed that include land uses typically enrolled in ACEP-WRE.
2. Do not include sales far above or far below the average, as any divergence likely has valid reasons.
3. Use comparable sales that are reasonably current and based on sales activity in the market area being analyzed. Use sales no older than 18 months unless the market activity is limited and a longer time period is required. Concurrence by the contracting officer is required before using sales older than 24 months.
4. Use similar property types as much as possible.
5. Ensure comparable sales are in fact arm's length transactions.
6. Provide sufficient data on the comparable sales to support the conclusions of value.
7. If the analysis of the comparable properties indicates the land use category is too broad or too narrow, contact the contracting officer and provide suggestions for changes to the land use category.  
Example: Land Use – Cropland – Low-lying cropland and prime cropland indicate a wide range in value; suggest that the land use category of Cropland be changed to two categories – Low-Lying Cropland and Prime Cropland.
8. If in the process of collecting and identifying comparable properties, sales of properties encumbered by easements are found, provide the sales data on the encumbered properties in a separate section of the analysis. This data will assist NRCS in establishing the geographic area rate caps.

#### **G. Adjust Value for Property Differences**

1. When comparing similar properties, there are always differences. Adjust comparable properties for differences:
  - a. Add or subtract value for differences in size.
  - b. Add or subtract value for feature differences, such as soil quality, water supply, etc.
  - c. Add or subtract value for location differences, including access.
2. Look at financing differences that could have influenced sale price. Seller financing can sometimes result in a higher price paid for a property than its true value.

#### **H. Conduct a Current Analysis of the Competitive Market**

1. Sold Listings.
  - a. Sold listings represent actual comparable sales.
  - b. Sales data should be within the last 18 months.
2. Active Listings.

- a. Active listings are properties currently for sale.
- b. These listings matter only to the extent that they indicate the competition for buyers.
- c. They are not indicative of market value. Sellers can ask any price they want for their property; it does not mean the prices are realistic.

## **I. Market Area**

- 1. The market area to be considered will be specified by NRCS and provided to the qualified, independent real estate professional.
- 2. The market area must contain properties that represent the land use types that are typically enrolled in ACEP-WRE.
- 3. If the market analysis indicates the market areas provided are inconsistent with the data, contact the contracting officer and suggest modifications to the market areas.

## **J. Other Considerations**

- 1. Land Use, Land Quality, Soils and Topography
  - a. The land uses and soil types to be considered must be comparable to land typically enrolled in NRCS easement programs, such as the Wetland Reserve Easement (ACEP-WRE) and the Emergency Watershed Protection Program (EWPP).
  - b. These are predominately level, low-lying areas of cropland but may also include areas of pastureland, wet meadows, and woodland.
  - c. A map of potentially eligible ACEP-WRE areas (based upon soil drainage class, flooding, or both) is provided.
- 2. Improvements
  - a. Do not include the value of improvements, such as homes, sheds, fences, barns, etc.
- 3. Levee Protection
  - a. Where significant, separate values must be developed for land behind protection levees.
- 4. Existing Easements
  - a. Do not use sales data from lands under existing easements as comparable sales.
  - b. If any are identified, the data should be provided in a separate part of the report.
- 5. Development Pressure
- 6. Highest and Best Use

## **K. Presentation of Analysis**

- 1. The report must be presented in a neat, easy-to-read format, free of grammatical and clerical mistakes.
- 2. The supporting documentation must be presented with sufficient narrative so that the analysis can be reviewed and critiqued.
- 3. Provide a description of the social, physical and economic characteristics of the specified market areas.
- 4. Provide a thorough description of each category that a representative value is provided.
- 5. Describe the land uses included in the category.
- 6. The report must comply with USPAP.

7. All market analysis reports submitted to NRCS become the property of the United States and may be used for any legal and proper purpose. Therefore, a condition that limits the distribution of the report is not permitted.

#### **L. Deliverables**

1. The final report and supporting documentation are the deliverables for this assignment.
2. The final report will include a hardcopy and a digital copy.

#### **M. Conflict of Interest**

1. An independent, qualified professional will not analyze a property for a spouse, child, partner, or business associate or have a financial interest in the property to be covered by the proposed easement.

#### **N. Nondisclosure**

1. Work performance required by this scope of work will involve access to potentially sensitive information about governmental and landowner issues.
2. All contractor personnel must comply with the terms of AGAR 452.224-70, "Confidentiality of Information," as well as provisions of the Privacy Act of 1974 (5 U.S.C. Section 552a).
3. Additionally, the contractor's employees must comply with privacy of personal information relating to NRCS programs in accordance with section 1244 of the Food Security Act of 1985, as amended (16 U.S.C. Section 3844), and information protected under section 1619 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246), 7 U.S.C. Section 8791.

#### **O. Civil Rights and Program Delivery**

1. The contractor must ensure that its personnel prohibit discrimination in all aspects of programs and activities related to the contract on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

#### **P. Exhibits**

1. **Exhibit 1 Market Areas for \_\_\_\_\_**
2. **Exhibit 2 Land Use Categories**